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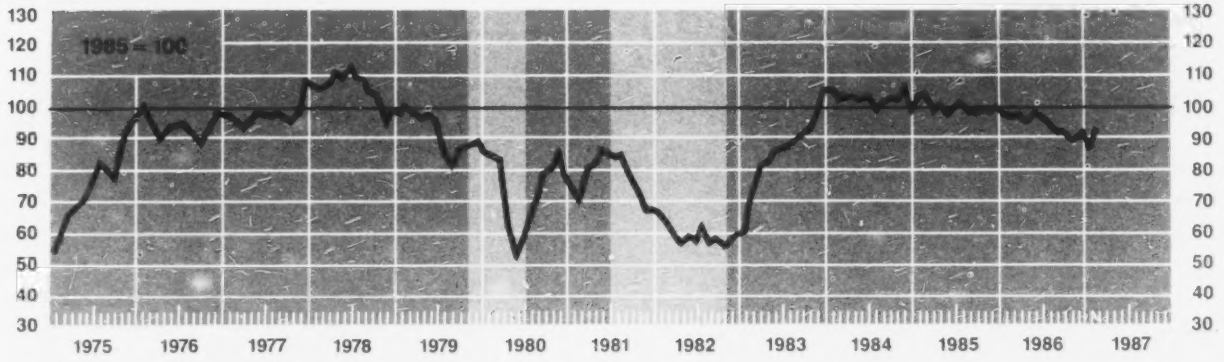
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

March, 1987



CONSUMERS MORE CONFIDENT PLANS TO BUY MIXED

Consumer confidence, which sagged in January, recovered in February. The Board's Index (1985 = 100) now stands at 92.3, a gain of six points for the month, and only about one point below the December reading. Car buying plans continue to run substantially weaker than a year ago. Intentions to purchase homes were down sharply in February.

Consumers are a good deal more optimistic in their evaluation of ongoing conditions. As compared to a month ago, more persons say business is "good," fewer say business is "bad." However, there has not been much change in their assessment of the employment situation. Those who complain that jobs are "hard to get" far outnumber those who report that they are "plentiful."

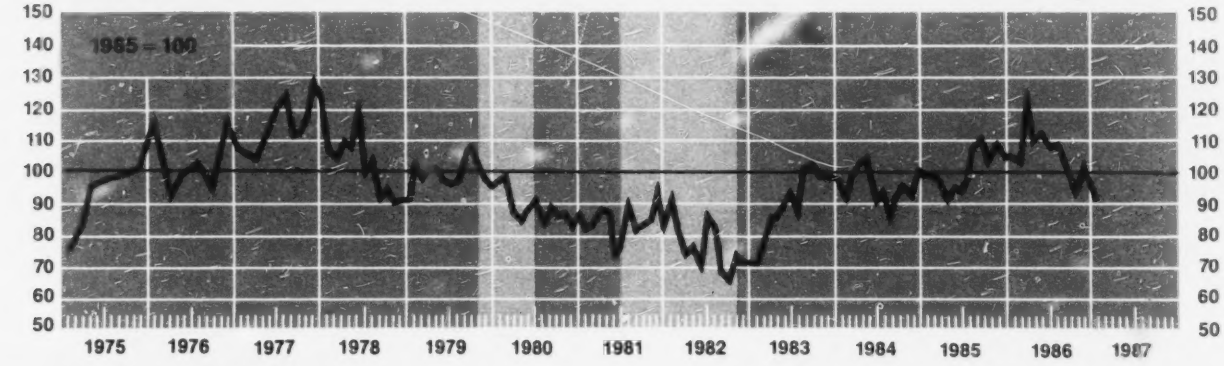
Consumer expectations for the six months ahead are also more positive than a month ago. In February, about 19% of all respondents felt that business conditions would improve, up from less than 16% in the previous survey. People are also somewhat more positive about future job prospects—a larger number now believe more jobs will become available. Also, more consumers expect their incomes will rise in the coming months, 25% now as compared to 21% earlier.

Intentions to buy an automobile remain unchanged at 7.4% of all survey responsents. However, this figure is substantially lower than that which was recorded through most of last year. Plans to purchase a major appliance were also unchanged in February, but this series continues to remain at a fairly sturdy level. However, intentions to buy a home were down in February to 3.1%, off sharply from 4.4%.

Although consumers are in somewhat better spirits than they were a month ago, the message they are sending is still restrained. While there are few indications that the economy might be heading for a bad patch in the immediate period ahead, there are also few signs that it is likely to break out into a new surge in growth. Based on past experience, the latest consumer confidence readings suggest that the economy is likely to grow at the lackluster pace which we have been experiencing now for more than two years.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

All series seasonally adjusted	1986 Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1987 Jan.(r)	Feb. (p)
Composite Series: Index Numbers, 1985 = 100													
Consumer Confidence Index	97.3	97.5	95.4	97.9	97.1	95.7	91.1	92.2	89.8	89.8	93.6	86.0	92.3
Present Situation	98.5	97.2	100.1	100.4	97.6	96.0	89.3	91.3	88.4	86.5	95.9	86.4	91.9
Expectations	96.6	97.9	92.2	96.2	96.7	95.6	92.2	92.9	90.8	92.6	92.1	85.8	92.5
Buying Plans Index	104.4	103.1	124.7	109.0	111.3	107.2	108.2	105.3	98.8	93.0	103.6	88.9	93.8
Appraisal of Present Situation: Percent													
Business Conditions													
Good	27.0	26.8	29.2	28.4	28.1	26.0	23.1	25.2	24.7	23.3	24.6	21.9	25.2
Bad	21.9	22.8	22.3	22.4	23.3	23.9	25.3	26.8	26.6	27.4	25.2	26.9	24.8
Normal	51.1	50.4	48.5	49.2	48.6	50.1	51.6	48.0	48.7	49.3	50.2	51.2	50.0
Employment													
Jobs plentiful	19.1	20.0	19.8	20.5	19.9	20.7	19.4	20.2	19.4	19.1	21.7	19.2	20.1
Jobs not so plentiful	50.3	47.8	49.0	48.1	48.0	46.5	46.7	46.1	45.2	45.9	46.3	46.8	45.3
Jobs hard to get	30.6	32.2	31.2	31.4	32.1	32.8	33.9	33.7	35.4	35.0	32.0	34.0	34.6
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	19.0	20.6	20.2	20.6	20.7	20.1	19.4	19.7	18.6	18.4	18.3	15.8	19.2
Worse	8.7	9.2	11.9	9.8	9.6	10.4	10.5	10.0	10.7	9.6	10.6	10.9	9.6
Same	72.3	70.2	67.9	69.6	69.7	69.5	70.1	70.3	70.7	72.0	71.1	73.3	71.2
Employment													
More jobs	14.6	15.9	15.1	15.8	16.7	16.3	15.5	16.0	14.2	14.9	14.9	12.5	14.9
Fewer jobs	17.1	17.8	20.4	18.6	18.7	18.6	19.7	19.2	18.8	18.9	18.3	19.1	20.0
Same	68.3	66.3	64.5	65.6	64.6	65.1	64.8	64.8	67.0	66.2	66.8	68.4	65.1
Income													
Increase	26.9	26.5	28.2	27.6	26.9	26.8	25.7	24.5	23.7	23.5	24.2	21.0	25.3
Decrease	8.1	7.6	7.8	8.2	8.7	8.2	9.1	9.8	8.6	8.9	8.4	8.2	8.7
Same	65.0	65.9	64.0	64.2	64.4	65.0	65.2	65.7	67.7	67.6	67.4	70.8	66.0
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	8.9	8.9	10.0	9.6	9.6	9.2	8.9	8.6	7.8	7.6	7.9	7.4	7.4
New	4.7	4.9	5.6	5.7	5.3	5.0	5.1	4.8	4.4	3.8	4.6	3.4	3.9
Used	2.8	3.0	3.4	2.8	3.6	3.2	2.8	2.5	2.3	2.7	2.6	2.6	2.6
Uncertain	1.4	1.0	1.0	1.1	0.7	1.0	1.0	1.3	1.1	1.1	0.7	1.4	0.9
Home													
Yes	4.2	4.2	4.4	4.5	4.6	4.4	4.1	4.4	4.0	3.1	4.3	4.4	3.1
New	1.1	1.3	1.4	1.2	1.3	1.1	1.3	1.2	1.1	1.1	1.1	1.5	1.1
Lived in	1.9	2.0	2.0	2.0	2.0	2.2	1.9	2.1	1.7	1.6	2.1	1.9	1.3
Uncertain	1.2	0.9	1.0	1.3	1.3	1.1	0.9	1.1	1.2	0.4	1.1	1.0	0.7
Major appliances													
Total plans	30.2	28.1	40.4	29.3	28.2	28.3	32.2	28.4	28.3	28.7	30.8	28.5	28.5
Refrigerator	4.3	3.9	6.2	4.1	4.2	4.4	5.0	4.2	4.9	4.8	4.4	5.3	5.1
Washing machine	4.3	4.1	6.8	4.3	3.9	4.5	4.7	4.2	4.3	4.3	4.4	4.2	3.6
TV Set	9.0	8.5	11.7	7.6	7.2	7.5	7.4	7.2	6.7	6.9	7.8	6.8	7.8
Vacuum Cleaner	4.5	5.0	4.8	5.4	4.8	3.9	5.5	4.8	4.6	4.8	5.6	4.3	4.5
Range	2.6	2.0	3.7	2.9	2.9	2.8	3.2	3.0	3.0	3.2	3.2	3.0	2.8
Clothes dryer	3.4	3.5	5.2	3.6	3.4	3.5	3.6	3.4	3.2	3.4	3.7	3.3	3.2
Air conditioner	2.1	1.1	2.0	1.4	1.8	1.7	2.8	1.6	1.6	1.3	1.7	1.6	1.5
Carpet	7.0	7.1	8.4	6.8	7.5	6.6	7.4	7.2	7.4	6.9	7.7	7.7	7.0
Vacation Intended Within Six Months: Percent													
Vacation Intended	47.0		51.2		51.5		50.3		48.4		49.5		50.5
Destination													
Home state	9.2		10.9		11.7		11.1		9.2		10.1		11.6
Other state	31.9		35.5		36.1		35.4		34.4		34.0		35.0
Foreign country	7.4		7.1		5.4		6.0		6.3		6.6		5.9
Means of travel													
Automobile	28.2		31.4		33.8		31.4		28.8		30.3		33.2
Airplane	18.1		20.4		18.1		19.4		18.0		18.9		18.3
Other	4.9		4.6		3.9		3.8		4.0		3.7		4.5

(p)—preliminary (r)—revised

ATTENTION PC USERS: All Data in this publication plus extensive government statistics are available on cost-effective diskettes. For more information, contact Linette Waters at (212) 759-0900.